

**OWOSSO CHARTER TOWNSHIP  
SHIAWASSEE COUNTY**

**FINANCIAL STATEMENTS**

**MARCH 31, 2006**

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name OWOSSO CHARTER TOWNSHIP	County SHIAWASSEE
Fiscal Year End 03/31/06	Opinion Date 9/30/06	Date Audit Report Submitted to State 10/6/06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

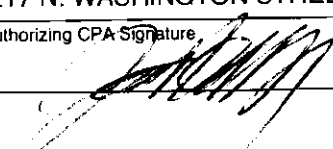
YES NO

Check each applicable box below. (See instructions for further detail.)

- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
- ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
- ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
- ☒ ☐ The local unit has adopted a budget for all required funds.
- ☒ ☐ A public hearing on the budget was held in accordance with State statute.
- ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
- ☐ ☒ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
- ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
- ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
- ☐ ☒ The local unit is free of repeated comments from previous years.
- ☐ ☒ The audit opinion is UNQUALIFIED.
- ☐ ☒ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
- ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
- ☐ ☒ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) DEMIS & WENZLICK, P.C.		Telephone Number (989) 723-8227	
Street Address 217 N. WASHINGTON STREET, STE. 201		City OWOSSO	State MI
Zip 48867		License Number 1101008874	
Authorizing CPA Signature 		Printed Name JAMES DEMIS, JR.	

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## INDEPENDENT AUDITOR'S REPORT

Members of the Township Board  
Owosso Charter Township  
Shiawassee County, Michigan

We have audited the accompanying general purpose financial statements of the Owosso Charter Township as of and for the year ended March 31, 2006. These financial statements are the responsibility of the Owosso Charter Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities and business-type activities as required by the Governmental Accounting Standards Board (GASB 34). Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. GASB 34 requires management's discussion and analysis which also has been prepared.

In our opinion, except for the non-application of GASB 34, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Owosso Charter Township at March 31, 2006, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying financial information listed as schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Owosso Charter Township. The information in these schedules has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

Our report of comments and recommendations has been submitted under date of September 30, 2006.

*Dennis and Leungfick, P.C.*

Certified Public Accountants

Owosso, Michigan  
September 30, 2006

OWOSSO CHARTER TOWNSHIP  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
MARCH 31, 2006

	Governmental Fund Types			Proprietary Fund Types	Fiduciary Type & Trust Agency	Account Groups		
	General	Special Revenue	Capital Projects	Enterprise		General Fixed Assets	General L/T Debt	Comp. Unit
<b>ASSETS:</b>								
Cash	\$129,933	\$ 292,340	\$247,138	\$ 351,509	\$571,453	\$ 0	\$	\$ 2,871
Cert. of Deposit	101,984	100,000	0	0	0	0	0	0
Investments	254,085	398,674	0	901,593	0	0	0	0
Due from Other Funds	138,592	239,431	0	100,949	126	0	0	13,095
Due from Other Gov't Units	8,848	17,223	0	11,765	12	0	0	0
Special Assmts. & Other	1,206	2,293	0	20,652	0	0	0	0
Investment in Owosso Cal. Util. Auth.	0	0	0	4,427,999	0	0	0	0
Fixed Assets (Net of Accum Dperec)	0	0	0	410,290	0	2,687,086		
Amt. to be Provided	0	0	0	0	0	0	55,958	0
<b>TOTAL</b>								
<b>ASSETS</b>	<u>\$634,648</u>	<u>\$1,049,961</u>	<u>\$247,138</u>	<u>\$6,224,757</u>	<u>\$571,591</u>	<u>\$2,687,086</u>	<u>\$55,958</u>	<u>\$15,966</u>
<b>LIABILITIES:</b>								
Accts. Pay	\$ 42,398	\$ 5,132	\$ 0	\$ 371	\$ 0	\$ 0	\$ 0	\$ 0
Due to Other Funds	0	0	0	0	404,938	0	0	87,130
Due to Other Gov't Units	0	0	0	54,474	166,653	0	0	0
Current Mat. On Bonds Payable	0	0	0	52,853	0	0	0	0
Long-Term Debt	0	0	0	162,321	0	0	55,958	0
<b>TOTAL LIAB.</b>	<b>\$ 42,398</b>	<b>\$ 5,132</b>	<b>\$ 0</b>	<b>\$ 270,019</b>	<b>\$571,591</b>	<b>\$ 0</b>	<b>\$55,958</b>	<b>\$87,130</b>
<b>FUND EQUITY:</b>								
Invest. In General Fixed Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$2,687,086	\$ 0	\$ 0
Ret. Earn.	0	0	0	5,954,738	0	0	0	0
Fund Bal.	592,250	1,044,829	247,139	0	0	0	0	(71,164)
<b>TOTAL FUND EQUITY</b>	<b>\$592,250</b>	<b>\$1,044,829</b>	<b>\$247,138</b>	<b>\$5,954,738</b>	<b>\$ 0</b>	<b>\$2,687,086</b>	<b>\$ 0</b>	<b>\$(71,164)</b>
<b>TOTAL LIAB. &amp; FUND EQUITY</b>	<b><u>\$634,648</u></b>	<b><u>\$1,049,961</u></b>	<b><u>\$247,138</u></b>	<b><u>\$6,224,757</u></b>	<b><u>\$571,591</u></b>	<b><u>\$2,687,086</u></b>	<b><u>\$55,958</u></b>	<b><u>\$ 15,966</u></b>

The accompanying notes are an integral  
part of the financial statements.



OWOSSO CHARTER TOWNSHIP  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED MARCH 31, 2006

	<u>General</u>	<u>Special Revenues</u>	<u>Component Unit</u>
<b>REVENUES:</b>			
Taxes & Special Assmts.	\$137,736	\$ 263,670	\$ 19,219
State Shared Revenues	333,877		
Charges for Services	56,432	382,888	
Interest & Misc. Income	55,370	25,531	16
<b>TOTAL REVENUES</b>	<b>\$583,415</b>	<b>\$ 672,089</b>	<b>\$ 19,235</b>
<b>EXPENDITURES:</b>			
Legislative	\$ 25,257	\$	\$
Executive	18,750		
Elections	1,745		
Clerk	21,066		
Board of Review	1,005		
Treasurer	44,236		
Hall & Grounds	48,487		
Other General Gov't.	91,009		
Highways & Streets	125,116		
Public Works	156,724		
Assessor	27,877		
Zoning	22,545		
Building	19,828		
Brownfield Expenditures			7,721
Fire ½ Mill Expenditure		75,519	
Fire Expenditures		144,166	
Ambulance Expenditures		285,827	
Cemetery Expenditures	00	13,990	00
<b>TOTAL EXPENDITURES</b>	<b>\$ 603,645</b>	<b>\$ 519,502</b>	<b>\$ 7,721</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES)</b>			
	<b>\$ (20,230)</b>	<b>\$ 152,587</b>	<b>\$ 11,514</b>
Operating Transfers In	\$ 00	\$ 00	\$ 00
Operating Transfers Out	00	00	00
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 00</b>	<b>\$ 00</b>	<b>\$ 00</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES &amp; OTHER USES</b>			
	<b>\$ (20,230)</b>	<b>\$ 152,587</b>	<b>\$ 11,514</b>
<b>Fund Bal. at Beginning of Year</b>	<b>612,480</b>	<b>892,242</b>	<b>(82,678)</b>
<b>FUND BALANCE DEFICIT AT END OF YEAR</b>	<b>\$ 592,250</b>	<b>\$1,044,829</b>	<b>\$ (71,164)</b>

The accompanying notes are an integral part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE AND COMPARISON OF BUDGET TO ACTUAL  
YEAR ENDED MARCH 31, 2006

	<u>GENERAL FUND</u>			<u>SPECIAL REVENUE FUND TYPES</u>			<u>COMPONENT UNIT</u>		
REVENUES:	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>
Taxes	\$ 116,500	\$ 137,736	\$ (21,236)	\$ 250,340	\$ 263,670	\$ (13,330)	\$ 0	\$ 19,219	\$ (19,219)
State Shared Rev.	254,000	333,877	(79,877)						
Charges for Service	38,000	56,432	(18,432)	360,400	382,888	(22,488)			
Interest & Miscellaneous Income	52,000	55,370	(3,370)	6,215	25,531	(19,316)	0	16	(16)
<b>TOTAL REVENUES</b>	<b>\$ 460,500</b>	<b>\$ 583,415</b>	<b>\$ (122,915)</b>	<b>\$ 616,955</b>	<b>\$ 672,089</b>	<b>\$ (55,134)</b>	<b>\$ 0</b>	<b>\$ 19,235</b>	<b>\$ (19,235)</b>
EXPENDITURES:									
Legislative	\$ 50,000	\$ 25,257	\$ 24,743	\$	\$	\$	\$	\$	\$
Executive	24,000	18,750	5,250						
Elections	12,000	1,745	10,255						
Clerk	31,500	21,066	10,434						
Board of Review	1,500	1,005	495						
Treasurer	31,500	44,236	(12,736)						
Hall & Grounds	55,000	48,487	6,513						
Other General Government	270,800	91,009	179,791						
Highways & Streets	125,000	125,116	(116)						
Public Works	108,000	156,724	(48,724)						
Assessor	23,500	27,877	(4,377)						
Zoning	60,000	22,545	37,455						
Building	250,000	19,828	230,172						
Brownfield							0	7,721	(7,721)
Fire 1/2 Mill				118,300	75,519	42,781			
Fire				875,500	144,166	731,334			
Ambulance				435,340	285,827	149,513			
Cemetery				20,500	13,990	6,510			
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,042,800</b>	<b>\$ 603,645</b>	<b>\$ 439,155</b>	<b>\$ 1,449,640</b>	<b>\$ 519,502</b>	<b>\$ 930,138</b>	<b>\$ 0</b>	<b>\$ 7,721</b>	<b>\$ (7,721)</b>
REVENUES OVER (UNDER) EXPENDITURES	\$ (582,300)	\$ (20,230)	\$ (562,070)	\$ (832,685)	\$ 152,587	\$ (985,272)	\$ 0	\$ 11,514	\$ (11,514)
OTHER SOURCES (USES) OF FUNDS:									
Operating Transfers In	\$ 0	\$ 0	\$ 0	\$ 10,000	0	\$ 10,000	\$ 0	\$ 0	\$ 0
Operating Transfers Out	(10,000)	0	(10,000)	0	0	0	0	0	0
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>\$ (592,300)</b>	<b>\$ (20,230)</b>	<b>\$ (572,070)</b>	<b>\$ (822,685)</b>	<b>\$ 152,587</b>	<b>\$ (975,272)</b>	<b>\$ 0</b>	<b>\$ 11,514</b>	<b>\$ (11,514)</b>
Fund Balance 04/01/05		612,480			892,242			(82,678)	
Fund Balance 03/31/06		\$ 592,250			\$ 1,044,829			\$ (71,164)	

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
ENTERPRISE FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN RETAINED EARNINGS  
YEAR ENDED MARCH 31, 2006

REVENUES:	
Charges for Services	\$ 207,450
Interest Income	62,220
Miscellaneous Income	7,320
TOTAL REVENUES	<u>\$ 276,990</u>
EXPENDITURES:	
Operation of Plant	\$ 169,110
Interest Expense	16,160
Depreciation Expense	48,029
Unrealized Loss	18,907
Miscellaneous Exp.	0
TOTAL EXPENDITURES	<u>\$ 252,206</u>
NET INCOME (LOSS)	\$ 24,784
Operating Transfer In	0
	<u>\$ 24,784</u>
Retained Earnings - Beginning of Year	\$5,993,951
Decrease in Value of Subsidiary During the Year	<u>(63,997)</u>
RETAINED EARNINGS END OF YEAR	<u>\$5,954,738</u>

The accompanying notes are an integral part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
ENTERPRISE FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2006

Cash Flows from Operating Activities:	
Net Income	\$ 24,784
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	48,029
(Increase) Decrease in Receivables	(1,257)
Increase (Decrease) in Payables	6,287
(Increase) Decrease in Land	<u>(197,680)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (119,837)
 Cash Flows from Financing Activities:	
Decrease in Debt	<u>(48,231)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ (168,068)
 Cash and Cash Equivalents Beginning of Year	<u>1,421,170</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$1,253,102</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash Paid During the Year for:	
Interest	\$ <u>10,244</u>

DISCLOSURE OF ACCOUNTING POLICY:

For purposes of the statement of cash flows, the Township considers all highly liquid debt instruments, such as certificates of deposit to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
BROWNFIELD REDEVELOPMENT FUND  
DEBT SERVICE CHARGES TO MATURITY  
ON BONDED INDEBTEDNESS  
MARCH 31, 2006

<u>Year Ended</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>
2006	\$ 7,721	\$ 1,258	\$ 6,463
2007	7,721	1,113	6,608
2008	7,721	964	6,757
2009	7,721	813	6,908
2010	7,721	657	7,064
2011	7,721	498	7,223
2012	7,721	336	7,385
2013	<u>7,721</u>	<u>170</u>	<u>7,551</u>
	<u>\$61,768</u>	<u>\$ 5,809</u>	<u>\$55,959</u>

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
SCHEDULE OF INDEBTEDNESS - SEWER FUND  
MARCH 31, 2006

Owosso Charter Township is obligated for a 21.5% share of the debt for the construction of the Wastewater Disposal Plant. Following is the debt service requirements for this obligation:

Calendar <u>Year</u>	Interest <u>April 1,</u>	Interest <u>Oct. 1,</u>	Principal <u>Oct. 1,</u>	<u>Total</u>
2006	<u>\$1,561</u>	<u>\$1,561</u>	<u>\$47,300</u>	<u>\$50,422</u>
	<u>\$1,561</u>	<u>\$1,561</u>	<u>\$47,300</u>	<u>\$50,422</u>

The coupons bear various interest rates, from 5.89% to 6.6% per annum.

The accompanying notes are an integral part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
SCHEDULE OF INDEBTENESS - LAND PURCHASE  
MARCH 31, 2006

Owosso Charter Township has entered into a land purchase agreement for approximately 21 acres on S. Delaney Road for the sum of \$200,000. A \$200,000 down payment was made leaving \$180,000 of principal plus 6% per annum interest due. Payments began December 1, 2003 and will continue monthly to pay back the principal within 20 years time.

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 5,554	\$ 9,921	\$ 15,475
2008	5,896	9,579	15,475
2009	6,260	9,215	15,475
2010	6,646	8,829	15,475
2011	7,056	8,419	15,475
Thereafter	<u>136,463</u>	<u>58,262</u>	<u>194,725</u>
	<u>\$167,875</u>	<u>\$104,225</u>	<u>\$272,100</u>

The accompanying notes are an integral part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED MARCH 31, 2006

	Balance <u>3-31-05</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>3-31-06</u>
<u>Trust and Agency Fund</u>				
ASSETS:				
Cash	\$ 3,943	\$ 81,600	\$ 84,650	\$ 893
Due from Other Funds	0	126	0	126
Due from Other Gov't	0	12	0	12
	<u>\$ 3,943</u>	<u>\$ 81,738</u>	<u>\$ 84,650</u>	<u>\$ 1,031</u>

LIABILITIES:

Due to Other Entities	\$ 0	\$ 68,691	\$ 68,691	\$ 0
Due to Other Funds	3,055	3,160	6,046	169
Due to Other Gov't Units	888	9,887	9,913	862
	<u>\$ 3,943</u>	<u>\$ 81,738</u>	<u>\$ 84,650</u>	<u>\$ 1,031</u>

Current Tax Collection Fund

ASSETS:

Cash	\$ <u>5,661</u>	\$ <u>3,548,641</u>	\$ <u>2,983,742</u>	\$ <u>570,560</u>
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LIABILITIES:

Due to Other Funds	\$ 5,661	\$ 487,580	\$ 88,472	\$404,769
Due to Other Gov't Units	0	3,061,061	2,895,270	165,791
	<u>\$ 5,661</u>	<u>\$3,548,641</u>	<u>\$2,983,742</u>	<u>\$570,560</u>

The accompanying notes are an integral part of the financial statements.



OWOSSO CHARTER TOWNSHIP  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED MARCH 31, 2006

	<u>Balance</u> <u>3-31-05</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>3-31-06</u>
		<u>Combined Amounts</u>		
ASSETS:				
Cash	\$ 9,604	\$3,630,241	\$3,068,392	\$571,453
Due from Other Funds	0	126	0	126
Due from Other Gov't.	0	12	8	12
	<u>\$ 9,604</u>	<u>\$3,630,379</u>	<u>\$3,068,392</u>	<u>\$571,591</u>
LIABILITIES:				
Due to Other Entities	\$ 0	\$ 68,691	\$ 68,691	\$ 0
Due to Other Funds	8,716	490,740	94,518	404,938
Due to Other Gov't Units	888	3,070,948	2,905,183	166,653
	<u>\$ 9,604</u>	<u>\$3,630,379</u>	<u>\$3,068,392</u>	<u>\$571,591</u>

The accompanying notes are an integral  
 part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Township of Owosso conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

**FUND ACCOUNTING**

The accounts of the Township are organized on a basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

**GOVERNMENT FUNDS**

**General Fund** - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

**PROPRIETARY FUNDS**

**Enterprise Funds** - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that period determination or revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Sewer Special Assessment Fund is reported within the Enterprise Fund.

OWOSSO CHARTER TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

FIXED ASSETS

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (General fixed assets) are accounted for in the General Fixed Asset Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements, including buildings, but other than roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

OWOSSO CHARTER TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimates useful life is 20 years.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All government funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales tax are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception of this general rule is unpaid vacation, sick pay, and other employee amounts which are not accrued.

USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

OWOSSO CHARTER TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled Sewer Fund Utility Service receivables are recorded at year end.

BUDGETS AND BUDGETARY ACCOUNTING

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of the fiscal year, the clerk submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Township to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage or an ordinance.
4. The clerk is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures or any department or fund must be approved by the Township Board.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
6. Budgets for the General, Special Revenue, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the township's financial position and operations. However, comparative (i.e. presentation of prior year totals by fund type) data have not been presented in each of the statement since their inclusion would make the statements unduly complex and difficult to read.

OWOSSO CHARTER TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

STATEMENT OF CASH FLOWS:

For purposes of the statement of cash flows, the Township considers all highly liquid debt instruments, such as certificates of deposit to be cash equivalent.

CASH AND INVESTMENTS

Cash includes amount in demand deposits. State statutes authorize the townships to invest in obligations of the U.S. Treasury, Commercial Paper, corporate bonds and repurchase agreements.

Investments are stated at cost or amortized at cost.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, transactions occur between funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances accounting-under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation-is utilized in the government fund types. Encumbrances outstanding at year end are reported as a reservation of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. There were no significant encumbrances at year end.

COMPENSATED ABSENCES

The Township does not pay sick or vacation time for its employees.

POST EMPLOYMENT HEALTH-CARE BENEFITS - COBRA BENEFITS

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA) the Township makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outline by the federal government for this coverage. There are no participants in this program as of March 31, 2006.

OWOSSO CHARTER TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RETIREE BENEFITS

The Township does not have health insurance coverage for its employees; therefore, there are no post-employment health care benefits.

INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenue or expenditures. Transactions that constitute reimbursement to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in that reimbursing fund as a reduction of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

NOTE B - REPORTING ENTITY

For financial reporting purposes, in conformance with NCGA Statement No. 3, Defining the Governmental Reporting Entity, the Owosso Township includes all funds, account groups, agencies, board, commissions and authorities that are controlled by or dependent on the Township's executive or legislative branches (the Township Supervisor or the Board, respectively). Control by or dependence on the Township was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the Township to finance any deficits that may occur or receipt of significant subsidies from the Township.

Based on the foregoing criteria, the following component units are included in the Township's annual report.

DISCRETELY REPORTED  
COMPONENT UNIT

BRIEF DESCRIPTION OF ACTIVITIES AND  
RELATIONSHIP TO THE TOWNSHIP

Brownfield Authority

Established pursuant to the provisions of Act 381, Public Acts of 1996, to promote the revitalization of environmentally distressed area within the Township.

OWOSSO CHARTER TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006 AND MARCH 31, 2005

NOTE B - REPORTING ENTITY (CONTINUED)

OWOSSO-CALEDONIA UTILITY AUTHORITY

Owosso Township entered into a joint venture with Caledonia Township for the creation of an Utility Authority. Owosso Township owns 50% of the authority's equity. MCGA Statement 7 requires that this investment be shown on Owosso Township's financial records (Sewer Usage Fund) as an Enterprise Fund, using the equity method of accounting. The Utility Authority has 6 board members. Each township appoints 3 individuals to the board. The Utility Authority budgets and finances are governed entirely by this 6 person board. Following is a summary of the Utility Authority (all amounts shown are as of December 31, 2005, the year end for the Utility Authority).

Total Assets	<u>\$8,874,915</u>
Total Liabilities	<u>\$ 18,918</u>
Total Equity - General Fund Contribution Capital	\$8,555,290
Retained Earnings	<u>300,707</u>
	<u>\$8,855,997</u>
Total Revenue	<u>\$ 530,673</u>
Total Expenditures - General Fund	\$ 658,667
(Depreciation on Assets Acquired by Grants)	<u>(171,126)</u>
	<u>\$ 487,541</u>
Net Income from Operations	<u>\$ 43,132</u>

Owosso Township is responsible for 50% of all liabilities.  
The assets ownership corresponds to the liability percentage.

Owosso Townships share of the Utility Authority is as follows:

Assets	\$4,437,458
Liabilities	9,459
Equity	4,427,999
Change in Equity	(63,997)

Owosso Township's share of the joint venture debt is disclosed in other footnotes. It is shown as a debt on the Sewer Usage Fund.

All income of the Sewer Usage Fund comes from the Utility Authority (shown as an expense of the Utility Authority).



OWOSSO CHARTER TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

NOTE C - PROPERTY TAX

Taxes levied on December 1, are payable on February 14. The county bills and collects its own property taxes and also taxes for the county and local school districts. Collections of the county and school taxes remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied to the extent that they result in current receivables.

The Township is permitted by the Municipal Finance Law of the State to levy taxes up to 1 mill for general governmental services. 1.50 mill is levied to pay for fire services and .9572 mill is levied for the general fund.

The delinquent real property taxes of the Township are purchased by the county of Shiawassee. The county intends to sell tax notes, the proceeds of which will be used to pay the Township for these property taxes. This took place in April 2006. These taxes have been recorded as revenue for the current year.

NOTE D - WASTEWATER OBLIGATION

The Sewer Wastewater Fund is obligated for 21.5% of the debt for the increase in capacity of the Wastewater Disposal Plant. The schedule of indebtedness details the repayment terms of this loan.

NOTE E - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 3-31-05	<u>Additions</u>	<u>Deductions</u>	Balance 3-31-06
Land & Improve.	\$ 247,820	\$ 11,041	\$ 0	\$ 258,861
Townhall	275,878	30,357	(3,813)	302,422
Fire Stations	187,438	29,316	0	216,754
Machinery & Equip.	436,342	22,538	0	458,880
Vehicles	1,105,427	35,464	0	1,140,891
Office Equipment & Furniture	93,178	10,766	0	103,944
Water Tower	205,334	0	0	205,334
	<u>\$2,551,417</u>	<u>\$139,482</u>	<u>\$(3,813)</u>	<u>\$2,687,086</u>

OWOSSO CHARTER TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

NOTE F - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the township's actual expenditures in certain budgetary line items which were in excess of the amounts appropriated as follows:

	<u>Total</u> <u>Appropriations</u>	<u>Amount of</u> <u>Expenditures</u>	<u>Budget</u> <u>Variance</u>
General - Treasurer	\$ 31,500	\$ 44,236	\$ (12,736)
General - Streets	125,000	125,116	(116)
General - Public Works	108,000	156,724	(48,724)
General - Assessor	23,500	27,877	(4,377)
Fire - Operating Supplies	0	4,402	(4,402)
Fire - Pension	0	131	(131)
Fire - Audit	0	1,535	(1,535)
Ambulance - Contractual	0	102,000	(102,000)
Ambulance - Audit	0	2,200	(2,200)
Ambulance - Repairs & Maint.	0	7,051	(7,051)
Ambulance - Supplies	0	7,972	(7,972)
Cemetery - Repairs & Maint.	0	1,369	(1,369)
Cemetery - Utility	175	440	(265)
Brownfield - Contractual	0	7,721	(7,721)

NOTE G - CASH AND CERTIFICATES OF DEPOSIT AND SAVINGS

The Township's deposits at March 31, 2006, consisted of cash and certificates of deposit at three financial institutions:

<u>Institution</u>	<u>Amount</u>	<u>FDIC</u> <u>Insured</u>	<u>Uninsured</u>
<u>A</u>			
Cash	\$ 443,407	\$100,000	\$ 343,407
CD's & Savings	101,984	100,000	1,984
<u>B</u>			
Cash	271,671	100,000	171,671
CD's & Savings	680,653	100,000	580,653
<u>C</u>			
Cash	199,413	100,000	99,413
CD's & Savings	100,000	100,000	0
	<u>\$1,797,128</u>	<u>\$600,000</u>	<u>\$1,197,128</u>

Cash and cash equivalents caption on the combined balance sheet include \$100 in imprest cash.

OWOSSO CHARTER TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

NOTE H - INVESTMENTS

Investing is performed in accordance with the investment policy of Owosso Charter Township. Any investments must be made in compliance with Public Act 20 of 1943 as amended. Edward Jones handles the investment activity for Owosso Charter Township and understands the investment policy and Public Act 20 of 1943, as amended. The Township's investments at March 31, 2006, are composed as follows:

<u>Fund</u>	<u>Total</u>	<u>Cash/ Money Mkt.</u>	<u>Unit Trusts</u>	<u>Bonds</u>	<u>Mutual Funds</u>
General	\$ 254,085	\$ 4,775	\$ 0	\$ 234,118	\$15,192
Sewer	901,593	2,177	463,447	425,369	10,600
Fire	398,674	14,035	0	361,886	22,753
	<u>\$1,554,352</u>	<u>\$20,987</u>	<u>\$463,447</u>	<u>\$1,021,373</u>	<u>\$48,545</u>

NOTE I - PENSION

The Township established a pension for certain employees, effective August 1, 1991. The Township contributes 7.65% of the employees salary. Voluntary contributions up to 10% of compensation are permissible by the employee. The Township contributed \$7,204 for the year ended March 31, 2006 for pension expense.

NOTE J - BROWNFIELD FUND DEFICIT

The Brownfield Fund has a deficit. A fund deficit is impermissible under P.A. 275 of 1980. A deficit elimination plan has been submitted to the Michigan Department of Treasury.

OWOSSO CHARTER TOWNSHIP  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

NOTE K - LONG-TERM DEBT FUND

The Township established a Brownfield Redevelopment Authority to clean up contaminated sites. To fund the cleanup, the Authority borrowed \$70,000 from the State of Michigan. The loan is payable with interest at 2 ¼% per annum, commencing June 30, 2004. The loan is secured by state shared revenues and the full faith and credit of the township.

<u>Year Ended</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>
2006	\$ 7,721	\$1,258	\$ 6,463
2007	7,721	1,113	6,608
2008	7,721	964	6,757
2009	7,721	813	6,908
2010	7,721	658	7,064
2011 and Thereafter	<u>23,163</u>	<u>1,003</u>	<u>22,158</u>
	<u>\$61,768</u>	<u>\$5,809</u>	<u>\$55,958</u>

NOTE L - MUNICIPAL FUND SERVICE CONTRACT

Owosso Charter Township has entered into a Municipal Fund Service Contract for the years 2004 through 2039 with a residential apartment complex. This contract pays Owosso Charter Township ambulance fees in lieu of property taxes. All fees are due by February 14, each year as follows:

<u>Year</u>	<u>Amount</u>
2004 - 2010	\$ 5,500
2011 - 2015	6,000
2016 - 2020	6,500
2021 - 2026	7,000
2027 - 2032	7,500
2033 - 2039	8,000

Ambulance fees are paid in addition to the above schedule. In addition, the complex pays 4% of gross revenues of the Township.

NOTE M - LAND

On April 5, 2005 Owosso Township purchased additional property on South Delaney Road for \$189,000. Closing costs for this purchase were \$2,602.

OWOSSO CHARTER TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

NOTE N - MOBILE MEDICAL RESPONSE, INC.

Owosso Township Rescue entered into an agreement with Mobile Medical Response, Inc., of Saginaw on August 24, 2005. The agreement states that MMR will assume the responsibility of providing ambulance service to the citizens of Owosso Township and of paying for the required insurances, maintenance and utility costs. MMR has also entered into a lease for the current vehicles and buildings for one dollar per year per item. Owosso Charter Township agrees to pay a minimum of \$102,000 annually based on an annual charge of \$30 per household for the service.

NOTE O - RAILROAD RIGHT-OF-WAY

On July 21, 2005 Owosso Charter Township purchased a right-of-way for \$1 from the Shiawassee Economic Development Corporation.

NOTE P - NEW FIRE HALL

In February of 2006, Owosso Charter Township accepted a bid from Berthum Builders to build a new fire station on N. M-52 for \$564,085. This amount will be paid as the building progresses.

**FINANCIAL STATEMENTS**  
**OF**  
**INDIVIDUAL FUNDS**

**GENERAL FUND**

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

GENERAL FUND

	<u>3-31-06</u>	<u>3-31-05</u>
<b>ASSETS:</b>		
Cash in Bank	\$129,933	\$352,849
Certificate of Deposit	101,984	0
Investments	254,085	246,551
Due from Other Gov't Units	8,848	9,518
Due from Other Funds	138,592	9,830
Due from Others	<u>1,206</u>	<u>1,728</u>
<b>TOTAL ASSETS</b>	<b><u>\$634,648</u></b>	<b><u>\$620,476</u></b>
<b>LIABILITIES:</b>		
Payroll Tax Payable	\$ 51	\$ 51
Accounts Payable	<u>42,347</u>	<u>7,945</u>
	<b>\$ 42,398</b>	<b>\$ 7,996</b>
 <b>GENERAL FUND BALANCE</b>	 <b><u>592,250</u></b>	 <b><u>612,480</u></b>
 <b>TOTAL LIABILITIES AND GENERAL FUND BALANCE</b>	 <b><u>\$634,648</u></b>	 <b><u>\$620,476</u></b>

The accompanying notes are an integral  
part of the financial statements.



OWOSSO CHARTER TOWNSHIP  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

GENERAL FUND

	Amended <u>Budget</u>	3-31-06 <u>Actual</u>	Actual (Over) Under <u>Budget</u>	3-31-05 <u>Actual</u>
<b>REVENUES:</b>				
<b>Taxes:</b>				
Property Tax Levy	\$	\$121,266	\$	\$118,576
Special Assessments	<u>0</u>	<u>16,470</u>	<u>0</u>	<u>8,011</u>
<b>TOTAL TAXES</b>	<b>\$116,500</b>	<b>\$137,736</b>	<b>\$ (21,236)</b>	<b>\$126,587</b>
 State Shared Revenues	 \$254,000	 \$333,877	 \$ (79,877)	 \$336,592
 Charges for Services	 \$ 38,000	 \$ 56,432	 \$ (18,432)	 \$ 39,279
 <b>Miscellaneous:</b>				
Trailer Taxes	\$ 2,000	\$ 2,152	\$ (152)	\$ 2,175
Cable TV Fees	35,000	31,542	3,458	35,850
Interest Earned	15,000	5,958	9,042	2,975
Miscellaneous	0	2,591	(2,591)	1,699
Investment Int/Div.	0	13,105	(13,105)	23,589
Unrealized Gain/Loss	0	(5,571)	5,571	(11,740)
Refunds/Penalties	0	5,593	(5,593)	13,631
Municipal Serv.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL MISCELLANEOUS</b>	<b>\$ 52,000</b>	<b>\$ 55,370</b>	<b>\$ (3,370)</b>	<b>\$ 68,179</b>
 <b>TOTAL REVENUES</b>	 <b><u>\$460,500</u></b>	 <b><u>\$583,415</u></b>	 <b><u>\$ (122,915)</u></b>	 <b><u>\$570,637</u></b>

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

GENERAL FUND				
	Amended	3-31-06	Actual (Over)	3-31-05
	<u>Budget</u>	<u>Actual</u>	<u>Under</u> <u>Budget</u>	<u>Actual</u>
EXPENDITURES:				
Legislative:				
Salaries	\$	\$16,030	\$	\$15,940
Audit & Acctg.		3,735		4,418
Dues & Educ.		3,905		5,051
Printing & Publ.		1,003		660
Mileage/Supp./Misc.	<u>0</u>	<u>584</u>		<u>115</u>
TOTAL LEGISLATION	\$50,000	\$25,257	\$24,743	\$26,184
Executive:				
Salaries	\$	\$17,762	\$	\$15,455
Supplies/Mileage	<u>0</u>	<u>988</u>	<u>0</u>	<u>100</u>
TOTAL EXECUTIVE	\$24,000	\$18,750	\$ 5,250	\$15,555
Elections:				
Salaries	\$	\$ 0	\$	\$ 5,349
Supplies & Misc.		1,745		1,749
Software	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,702</u>
TOTAL ELECTION	\$12,000	\$ 1,745	\$10,255	\$10,800
Clerk:				
Salaries	\$	\$18,185	\$	\$16,374
Office Supplies & Misc.	<u>0</u>	<u>2,881</u>	<u>0</u>	<u>4,126</u>
TOTAL CLERK	\$31,500	\$21,066	\$10,434	\$20,500
Board of Review:				
Salaries	\$	\$ 900	\$	\$ 400
Mileage & Misc.	<u>0</u>	<u>105</u>	<u>0</u>	<u>142</u>
TOTAL BOARD OF REVIEW	\$ 1,500	\$ 1,005	\$ 495	\$ 542

The accompanying notes are an integral part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

GENERAL FUND

	Amended <u>Budget</u>	3-31-06 <u>Actual</u>	Actual (Over) Under <u>Budget</u>	3-31-05 <u>Actual</u>
<b>EXPENDITURES:</b>				
<b>Treasurer:</b>				
Salaries	\$	\$ 23,460	\$	\$ 19,998
Office Supp. & Misc.		10,361		4,959
Tax Roll Prep.	0	10,415		2,282
<b>TOTAL TREASURER</b>	<b>\$ 31,500</b>	<b>\$ 44,236</b>	<b>\$ (12,736)</b>	<b>\$ 27,239</b>
<b>Hall &amp; Grounds:</b>				
Salaries	\$	\$ 2,678	\$	\$ 2,892
Supplies & Maint.		37,268		4,652
Util. & Tele.		5,283		5,260
Snow Plowing		3,258		2,255
Capital Outlay	0	0	0	0
<b>TOTAL HALL &amp; GROUNDS</b>	<b>\$ 55,000</b>	<b>\$ 48,487</b>	<b>\$ 6,513</b>	<b>\$ 15,059</b>
<b>Other General Gov't:</b>				
Payroll Taxes	\$	\$ 3,621	\$	\$ 3,394
Pension		7,073		5,870
Airport		3,046		1,603
Street Lights		14,678		21,407
Attorney		15,165		19,816
Ins. Bonds		24,946		21,854
Capital Outlay	0	22,480	0	8,174
<b>TOTAL OTHER GEN. GOV'T.</b>	<b>\$270,800</b>	<b>\$ 91,009</b>	<b>\$179,791</b>	<b>\$ 82,118</b>
<b>HIGHWAYS &amp; STREETS</b>	<b>\$125,000</b>	<b>\$125,116</b>	<b>\$ (116)</b>	<b>\$102,093</b>
<b>Public Works:</b>				
Contingency	\$	\$ 0	\$	\$ 7,570
Industrial Park		1		4,322
Traffic Lights		0		6,891
Drains at Large		152,052		2,470
Weed Control	0	4,671	0	8,410
<b>TOTAL PUBLIC WORKS</b>	<b>\$108,000</b>	<b>\$156,724</b>	<b>\$ (48,724)</b>	<b>\$ 29,663</b>

The accompanying notes are an integral part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

GENERAL FUND

	Amended Budget	3-31-06 Actual	Actual (Over) Under Budget	3-31-05 Actual
<b>EXPENDITURES:</b>				
Assessor:				
Salary	\$ 0	\$ 20,000	\$ 0	\$ 20,000
Supplies		7,877		786
TOTAL ASSESSOR	\$ 23,500	\$ 27,877	\$ (4,377)	\$ 20,786
Building:				
Salaries	\$	\$ 9,333	\$	\$ 0
Supplies		210		0
Contractual	0	10,285	0	0
TOTAL BUILDING	\$ 250,000	\$ 19,828	\$ 230,172	\$ 0
Zoning Board:				
Salaries	\$	\$ 14,303	\$	\$ 19,435
Printing & Publ.		330		307
Contractual		4,074		11,557
Utilities		3,627		1,451
Dues & Education		0		1,833
Office Supplies	0	211	0	983
TOTAL ZONING BOARD	\$ 60,000	\$ 22,545	\$ 37,455	\$ 35,566
TOTAL EXPENDITURES	\$1,042,800	\$ 603,645	\$ 439,155	\$386,105
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$ (582,300)	\$ (20,230)	\$ (562,070)	\$184,532
Operating Transfers In	\$ 0	\$ 0	\$ 0	\$ 0
Operating Trans. Out	(10,000)	0	(10,000)	(496,714)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (10,000)	\$ 0	\$ (10,000)	\$ (496,714)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER USES	\$ (592,300)	\$ (20,230)	\$ (572,070)	\$ (312,182)
Fund Balance Beginning of Year		612,480		924,662
FUND BALANCE (DEFICIT) AT END OF YEAR		\$ 592,250		\$ 612,480

The accompanying notes are an integral part of the financial statements.

## **SPECIAL REVENUE FUNDS**

### **FIRE FUND**

Fire Fund is used to account for current property taxes received and monies disbursed for Township fire protection.

### **AMBULANCE FUND**

Ambulance Fund is used to account for ambulance assessments received and monies disbursed for Township ambulance services.

### **CEMETERY FUND**

Cemetery Fund is used to account for monies received and disbursed for the maintenance of the Township's cemeteries.

OWOSSO CHARTER TOWNSHIP  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

	Fire <u>1/2 Mill</u>	Fire	Ambulance	Cemetery	3-31-06 <u>Totals</u>	3-31-05 <u>Totals</u>
ASSETS:						
Cash	\$ 36,557	\$174,391	\$ 79,813	\$ 1,579	\$ 292,340	\$499,891
Investments	0	398,674	0	0	398,674	385,421
Cert. of Deposit	0	100,000	0	0	100,000	0
Due from Other						
Gov't Units	3,837	7,675	5,711	0	17,223	17,340
Due from Other						
Funds	55,168	114,372	69,891	0	239,431	4,016
Taxes Receivable	764	1,529	0	0	2,293	2,709
TOTAL ASSETS	<u>\$ 96,326</u>	<u>\$796,641</u>	<u>\$155,415</u>	<u>\$ 1,579</u>	<u>\$1,049,961</u>	<u>\$909,377</u>
LIABILITIES:						
Due to Other Funds	\$ 0	\$ 126	\$ 0	\$ 0	\$ 126	\$ 0
Accts. Payable	0	4,748	174	84	5,006	17,135
TOTAL LIABILITIES	<u>\$ 0</u>	<u>\$ 4,874</u>	<u>\$ 174</u>	<u>\$ 84</u>	<u>\$ 5,132</u>	<u>\$ 17,135</u>
FUND BALANCE	<u>96,326</u>	<u>791,767</u>	<u>155,241</u>	<u>1,495</u>	<u>1,044,829</u>	<u>892,242</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 96,326</u>	<u>\$796,641</u>	<u>\$155,415</u>	<u>\$ 1,579</u>	<u>\$1,049,961</u>	<u>\$909,377</u>

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURE AND CHANGES IN FUND BALANCE  
YEAR ENDED MARCH 31, 2006 AND MARCH 31, 2005

	Fire <u>½ Mill</u>	Fire	Ambulance	Cemetery	3-31-06 <u>Totals</u>	3-31-05 <u>Totals</u>
REVENUES:						
Taxes & Assmts.	\$ 60,460	\$129,888	\$ 73,322	\$ 0	\$263,670	\$253,317
Charges for Serv.	0	98,263	273,800	10,825	382,888	326,581
Interest & Misc.	<u>582</u>	<u>18,711</u>	<u>6,221</u>	<u>17</u>	<u>25,531</u>	<u>11,584</u>
TOTAL REVENUES	\$ 61,042	\$246,862	\$ 353,343	\$ 10,842	\$672,089	\$591,482
EXPENDITURES:						
Salaries & Wages	\$ 0	\$ 64,541	\$ 104,927	\$ 7,360	\$176,828	\$291,180
Payroll Taxes	0	4,079	8,263	563	12,905	20,804
Maint. & Rep.	70,686	11,686	7,051	1,369	90,792	50,768
Contractual	0	0	125,603	0	125,603	18,783
Utilities	0	7,888	3,820	440	12,148	14,167
Insurance	0	21,432	5,808	1,098	28,338	35,500
Educ. Misc. Dues	0	7,358	12,700	0	20,058	11,039
Capital Outlay	4,833	4,030	0	0	8,863	87,961
Pension	0	131	0	0	131	783
Prof. Services	0	8,280	0	0	8,280	1,485
Audit	0	1,535	2,200	0	3,735	0
Communication	0	8,804	1,752	0	10,556	0
Operating Supplies	<u>0</u>	<u>4,402</u>	<u>13,703</u>	<u>3,160</u>	<u>21,265</u>	<u>0</u>
TOTAL EXPENDITURES	\$ 75,519	\$144,166	\$ 285,827	\$ 13,990	\$519,502	\$532,470
EXCESS OF REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES)	<u>\$ (14,477)</u>	<u>\$102,696</u>	<u>\$ 67,516</u>	<u>\$ (3,148)</u>	<u>\$152,587</u>	<u>\$ 59,012</u>

The accompanying notes are an integral part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)  
YEAR ENDED MARCH 31, 2006 AND MARCH 31, 2005

	<u>Fire</u> <u>½ Mill</u>	<u>Fire</u>	<u>Ambulance</u>	<u>Cemetery</u>	<u>3-31-06</u> <u>Totals</u>	<u>3-31-05</u> <u>Totals</u>
Operating Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 5,000
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)						
EXPENDITURES AND OTHER SOURCES	\$ (14,477)	\$ 102,696	\$ 67,516	\$ (3,148)	\$ 152,587	\$ 64,012
Fund Balance at Beginning of Year	<u>110,803</u>	<u>689,091</u>	<u>87,725</u>	<u>4,643</u>	<u>892,242</u>	<u>828,230</u>
FUND BALANCE AT END OF YEAR	<u>\$ 96,326</u>	<u>\$ 791,767</u>	<u>\$ 155,241</u>	<u>\$ 1,495</u>	<u>\$ 1,044,829</u>	<u>\$ 892,242</u>

The accompanying notes are an integral part of the financial statements.



OWOSSO CHARTER TOWNSHIP  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

FIRE FUND

	<u>3-31-06</u>	<u>3-31-05</u>
<b>ASSETS:</b>		
Cash in Bank	\$174,391	\$291,497
Certificate of Deposit	100,000	0
Investments	398,674	385,393
Due from Other Gov't Units	7,675	7,697
Due from Other Funds	114,372	3,447
Taxes Receivable	<u>1,529</u>	<u>1,806</u>
TOTAL ASSETS	<u>\$796,641</u>	<u>\$689,840</u>
<b>LIABILITIES:</b>		
Due to Other Funds	\$ 126	\$ 0
Accounts Payable	<u>4,748</u>	<u>769</u>
TOTAL LIABILITIES	\$ 4,874	\$ 769
 FIRE FUND BALANCE	 <u>791,767</u>	 <u>689,071</u>
 TOTAL LIABILITIES AND FIRE FUND BALANCE	 <u>\$796,641</u>	 <u>\$689,840</u>

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

FIRE FUND

	Amended	3-31-06	Actual (Over)	3-31-05
	<u>Budget</u>	<u>Actual</u>	<u>Under</u> <u>Budget</u>	<u>Actual</u>
<b>REVENUES:</b>				
Taxes:				
Current Property				
Taxes	\$ 118,000	\$129,888	\$ (11,888)	\$122,103
Invest. Int/Div.	0	21,713	(21,713)	18,681
Unrealized Gain/Loss	0	(8,433)	8,433	(10,253)
Charges for Serv. Rendered:				
Fire Runs & Protect.	93,000	98,263	(5,263)	92,289
Interest Income	5,000	5,431	(431)	2,683
Misc. Income	0	0	0	1,613
<b>TOTAL REVENUES</b>	<b>\$ 216,000</b>	<b>\$246,862</b>	<b>\$ (30,862)</b>	<b>\$227,116</b>
<b>EXPENDITURES:</b>				
Fire Dept:				
Salaries & Wages	\$ 95,000	\$ 64,541	\$ 30,459	\$ 58,482
Payroll Taxes	7,500	4,079	3,421	3,706
Repairs & Maint.	50,000	11,686	38,314	11,069
Communications	20,000	8,804	11,196	260
Transportation	5,000	3,007	1,993	1,717
Insurance	30,000	21,432	8,568	23,618
Utilities	15,000	7,888	7,112	7,134
Operating Supplies	0	4,402	(4,402)	0
Education	5,000	925	4,075	1,280
Capital Outlay	622,000	4,030	617,970	6,789
Hydrant Rental	4,000	2,068	1,932	2,068
Pension	0	131	(131)	763
Professional Serv.	20,000	8,280	11,720	1,485
Audit	0	1,535	(1,535)	0
Miscellaneous	2,000	1,358	642	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 875,500</b>	<b>\$144,166</b>	<b>\$ 731,334</b>	<b>\$118,371</b>
<b>EXCESS OF REVENUES</b>				
<b>OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>\$ (659,500)</b>	<b>\$102,696</b>	<b>\$ (762,196)</b>	<b>\$108,745</b>
Transfers In				
	0	0	0	0
	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance at Beginning of Year				
		689,071		580,326
<b>FUND BALANCE AT END OF YEAR</b>		<b>\$791,767</b>		<b>\$689,071</b>

The accompanying notes are an integral part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

AMBULANCE SERVICE FUND

	<u>3-31-06</u>	<u>3-31-05</u>
<b>ASSETS:</b>		
Cash	\$ 79,813	\$ 97,699
Investments	0	28
Due from other Gov't Units	5,711	5,795
Due from Other Funds	<u>69,891</u>	<u>569</u>
<b>TOTAL ASSETS</b>	<u>\$155,415</u>	<u>\$104,091</u>
 <b>LIABILITIES:</b>		
Accounts Payable	\$ 174	\$ 16,366
<b>TOTAL LIABILITIES</b>	\$ 174	\$ 16,366
 <b>AMBULANCE SERVICE FUND BALANCE</b>	 <u>\$155,241</u>	 <u>\$ 87,725</u>
 <b>TOTAL LIABILITIES AND AMBULANCE SERVICE FUND BALANCE</b>	 <u>\$155,415</u>	 <u>\$104,091</u>

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

AMBULANCE SERVICE FUND

	Amended	3-31-06	Actual (Over) Under	3-31-05
	Budget	Actual	Budget	Actual
REVENUES:				
Special Assmts.	\$ 73,440	\$ 73,322	\$ (118)	\$ 72,197
Interest Income	1,000	1,263	(263)	904
Services Rendered	232,400	245,090	(12,690)	190,102
Charges to Other Twps.	28,500	28,710	(210)	28,590
Misc. Income	0	4,958	(4,958)	1,518
Investment Inc/Div.	0	0	0	1,584
Unrealized Gain/Loss	0	0	0	(5,551)
TOTAL REVENUES	\$ 335,340	\$ 353,343	\$ (18,003)	\$ 289,344
EXPENDITURES:				
Salaries & Wages	\$ 280,000	\$ 104,927	\$175,073	\$226,218
Billing Exp.	30,000	23,603	6,397	18,783
Payroll Taxes	21,525	8,263	13,262	16,602
Operating Supplies	35,875	5,731	30,144	23,542
Communications	6,000	1,752	4,248	2,661
Transportation	5,000	4,842	158	4,364
Insurance	13,000	5,808	7,192	10,761
Utilities	10,000	3,820	6,180	4,022
Educ. Dues, Misc.	5,000	4,707	293	5,974
Capital Outlay	25,000	102,000	(102,000)	77,825
Contractual	0	0	0	0
Audit	0	2,200	(2,200)	0
Repairs & Maint.	0	7,051	(7,051)	0
Supplies	0	7,972	(7,972)	0
Miscellaneous	3,940	3,151	789	0
Pension	0	0	(20)	20
TOTAL EXPENDITURES	\$ 435,340	\$ 285,827	\$149,513	\$390,772
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$ (100,000)	\$ 67,516	\$ (167,516)	\$ (101,428)
Fund Balance Beginning of Year		87,725		189,153
FUND BALANCE AT END OF YEAR		\$ 155,241		\$ 87,725

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

CEMETERY FUND

	<u>3-31-06</u>	<u>3-31-05</u>
<b>ASSETS:</b>		
Cash in Bank	\$1,579	\$4,643
TOTAL ASSETS	<u>\$1,579</u>	<u>\$4,643</u>
<b>LIABILITIES:</b>		
Accounts Payable	\$ 84	\$ 0
CEMETERY FUND BALANCE	<u>1,495</u>	<u>4,643</u>
TOTAL LIABILITIES AND CEMETERY FUND BALANCE	<u>\$1,579</u>	<u>\$4,643</u>

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

CEMETERY FUND

	Amended <u>Budget</u>	3-31-06 <u>Actual</u>	Actual (Over) Under <u>Budget</u>	3-31-05 <u>Actual</u>
<b>REVENUES:</b>				
Chgs for Serv. Rendered:				
Grave Openings Sales				
& Foundations	\$ 6,500	\$ 10,825	\$ (4,325)	\$15,600
Misc. Income	0	0	0	(130)
Interest Income	15	17	(2)	15
<b>TOTAL REVENUES</b>	<b>\$ 6,515</b>	<b>\$ 10,842</b>	<b>\$ (4,327)</b>	<b>\$15,745</b>
<b>EXPENDITURES:</b>				
Cemetery:				
Wages	\$ 8,000	\$ 7,360	\$ 640	\$ 6,480
Payroll Taxes	625	563	62	496
Operating Supplies	8,500	3,160	5,340	11,793
Repairs & Maintenance	0	1,369	(1,369)	0
Utilities	175	440	(265)	90
Insurance	1,700	1,098	602	1,121
Professional	1,500	0	1,500	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 20,500</b>	<b>\$ 13,990</b>	<b>\$ 6,510</b>	<b>\$19,980</b>
<b>EXCESS OF REVENUES</b>				
<b>OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>\$ (13,985)</b>	<b>\$ (3,148)</b>	<b>\$ (10,837)</b>	<b>\$ (4,235)</b>
Operating Transfers In	<u>10,000</u>	<u>0</u>	<u>10,000</u>	<u>5,000</u>
<b>EXCESS OF REVENUES AND</b>				
<b>OTHER SOURCES (OVER)</b>				
<b>UNDER EXPENDITURES</b>				
<b>AND OTHER USES</b>	<b>\$ (3,985)</b>	<b>\$ (3,148)</b>	<b>\$ (837)</b>	<b>765</b>
<b>Fund Balance at Beginning of Year</b>		<u>4,643</u>		<u>3,878</u>
<b>FUND BALANCE AT END OF YEAR</b>		<b>\$ 1,495</b>		<b>\$ 4,643</b>

The accompanying notes are an integral part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

FIRE ½ MILL FUND

	<u>3-31-06</u>	<u>3-31-05</u>
<b>ASSETS:</b>		
Cash in Bank	\$ 36,557	\$106,052
Due from Other Gov't Units	3,837	3,848
Taxes Receivable	764	903
Due from Other Funds	55,168	0
<b>TOTAL ASSETS</b>	<u>\$ 96,326</u>	<u>\$110,803</u>
<b>LIABILITIES:</b>		
Due to Other Funds	\$ 0	\$ 0
	\$ 0	\$ 0
 Fire ½ Mill Fund Balance	 <u>96,326</u>	 <u>110,803</u>
	\$ 96,326	\$110,803
 <b>TOTAL LIABILITES AND FIRE</b>		
<b>½ MILL FUND BALANCE</b>	<u>\$ 96,326</u>	<u>\$110,803</u>

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

FIRE ½ MILL FUND

	Amended <u>Budget</u>	3-31-06 <u>Actual</u>	Actual (Over) Under <u>Budget</u>	3-31-05 <u>Actual</u>
<b>REVENUES:</b>				
Taxes:				
Current Property Taxes	\$ 58,900	\$ 60,460	\$ (1,560)	\$ 59,017
Interest Income	<u>200</u>	<u>582</u>	<u>(382)</u>	<u>260</u>
TOTAL REVENUES	\$ 59,100	\$ 61,042	\$ (1,942)	\$ 59,277
<b>EXPENDITURES:</b>				
Repairs	\$ 0	\$ 70,686	\$ 0	\$ 0
Capital Outlay	<u>0</u>	<u>4,833</u>	<u>0</u>	<u>3,347</u>
TOTAL EXPENDITURES	\$ <u>118,300</u>	\$ <u>75,519</u>	\$ <u>42,781</u>	\$ <u>3,347</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
EXPENDITURES	\$ (59,200)	\$ (14,477)	\$ (44,723)	\$ 55,930
Transfer to Fire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXCESS OF REVENUES AND OTHER USES OVER (UNDER)</b>				
EXPENDITURES	\$ <u>(59,200)</u>	\$ (14,477)	\$ <u>(44,723)</u>	\$ 55,930
Fund Balance at Beginning of Year		<u>110,803</u>		<u>54,873</u>
FUND BALANCE AT END OF YEAR		\$ <u>96,326</u>		\$ <u>110,803</u>

The accompanying notes are an integral  
part of the financial statements.



## CAPITAL PROJECTS FUND

### REVOLVING AND IMPROVEMENT

Revolving and Improvement Fund is used to account for money set aside by the Township Board for future improvements within the Township.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

REVOLVING AND IMPROVEMENT FUND

	<u>3-31-06</u>	<u>3-31-05</u>
ASSETS:		
Cash	\$247,138	\$238,726
TOTAL ASSETS	<u>\$247,138</u>	<u>\$238,726</u>
LIABILITIES:		
Payables	\$ 0	\$ 0
FUND BALANCE	<u>\$247,138</u>	<u>\$238,726</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$247,138</u>	<u>\$238,726</u>

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

REVOLVING AND IMPROVEMENT FUND

	<u>Amended Budget</u>	<u>3-31-06 Actual</u>	Actual (Over) Under Budget	<u>3-31-05 Actual</u>
REVENUES:				
Interest Income	\$ 0	\$ 8,412	\$ 0	\$ 2,011
TOTAL REVENUES	\$ 0	\$ 8,412	\$ 0	\$ 2,011
EXPENDITURES	\$ 0	\$ 0	\$ 0	\$ 0
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$ 0	\$ 8,412	\$ 0	\$ 2,011
Operating Transfer In	\$ 0	\$ 0	\$ 0	\$236,715
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES	\$ 0	\$ 0	\$ 0	\$236,715
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER USES	\$ <u>0</u>	\$ 8,412	\$ <u>0</u>	\$238,726
Fund Balance Beginning of Year		<u>238,726</u>		<u>0</u>
FUND BALANCE (DEFICIT) AT END OF YEAR		<u>\$247,138</u>		<u>\$238,726</u>

The accompanying notes are an integral part of the financial statements.

## ENTERPRISE FUND

### WATER FUND

The Water Fund is used to account for monies collected and used to provide water services to the Owosso Township Industrial Park.

### SEWER FUND

The Sewer Fund is used to account for sewer services to the residents of the Township. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and related debt service.

The Sewer Fund includes Sewer Special Assessments which were used to account for monies assessed for sewer construction and to disburse those monies to the Owosso Township-Caledonia Township Utility Authority.

Interest is charged on the unpaid assessment. Bond principal and interest are paid with the monies provided by payments on the assessments and related interest.

OWOSSO CHARTER TOWNSHIP  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

ASSETS

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>3-31-06 Totals</u>	<u>3-31-05 Totals</u>
<b>CURRENT ASSETS:</b>				
Cash	\$251,906	\$ 99,603	\$ 351,509	\$ 455,633
Investments	0	901,593	901,593	965,537
Accounts Rec:				
Other Funds	0	100,949	100,949	91,000
Other Ent.	8,083	3,682	11,765	13,855
Special Assmts.	0	20,652	20,652	27,255
Accrued Int. Rec.	0	0	0	0
<b>TOTAL CURRENT ASSETS</b>	<b>\$259,989</b>	<b>\$1,126,479</b>	<b>\$1,386,468</b>	<b>\$1,553,280</b>
<b>PROPERTY, PLANT &amp; EQUIP:</b>				
Land	\$ 0	\$ 397,680	\$ 397,680	\$ 200,000
Investment in Sewer				
Plant	0	885,855	885,855	885,855
Accum. Deprec.	0	(873,245)	(873,245)	(825,216)
	\$ 0	\$ 410,290	\$ 410,290	\$ 260,639
<b>OTHER ASSETS:</b>				
Invest. In Subsidiary -				
Owosso Caledonia	\$ 0	\$4,427,999	\$4,427,999	\$4,491,996
	<u>\$259,989</u>	<u>\$5,964,768</u>	<u>\$6,224,757</u>	<u>\$6,305,915</u>

LIABILITIES AND RETAINED EARNINGS

<b>CURRENT LIABILITIES:</b>				
Current Maturities on				
Long-Term Debt	\$ 0	\$ 52,853	\$ 52,853	\$ 48,231
Accts. Payable	371	0	371	0
Accrued Int. Payable	0	54,474	54,474	48,558
Due to Other Funds	0	0	0	0
<b>TOTAL CURRENT LIAB.</b>	<b>\$ 371</b>	<b>\$ 107,327</b>	<b>\$ 107,698</b>	<b>\$ 96,789</b>
<b>Long-Term Debt, Less</b>				
Current Maturities	\$ 0	\$ 162,321	\$ 162,321	\$ 215,175
Retained Earnings	<u>259,618</u>	<u>5,695,120</u>	<u>5,954,738</u>	<u>5,993,951</u>
	<u>\$259,989</u>	<u>\$5,964,768</u>	<u>\$6,224,757</u>	<u>\$6,305,915</u>

The accompanying notes are an integral part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
ENTERPRISE FUND DS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN RETAINED EARNINGS  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>3-31-06 Totals</u>	<u>3-31-05 Totals</u>
REVENUES:				
Revenues	\$ 25,273	\$ 182,177	\$ 207,450	\$ 226,424
Interest Income	4,394	57,826	62,220	49,283
Misc. Income	<u>0</u>	<u>7,320</u>	<u>7,320</u>	<u>10,370</u>
TOTAL REVENUES	\$ 29,667	\$ 247,323	\$ 276,990	\$ 286,077
EXPENDITURES:				
Operation of Plant	\$ 48,162	\$ 120,948	\$ 169,110	\$ 128,630
Interest Exp.	0	16,160	16,160	19,286
Deprec. Exp.	0	48,029	48,029	48,054
Unrealized Loss	0	18,907	18,907	21,823
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>780</u>
TOTAL EXPENDITURES	\$ 48,162	\$ 204,044	\$ 252,206	\$ 218,573
NET INCOME (LOSS)	\$ (18,495)	\$ 43,279	\$ 24,784	\$ 67,504
Operating Transfer				
In	<u>0</u>	<u>0</u>	<u>0</u>	<u>255,000</u>
	\$ 0	\$ 0	\$ 0	\$ 322,504
Retained Earnings				
Beginning of Year	\$278,113	\$5,715,838	\$5,993,951	\$5,730,763
Decrease in Value				
Of Subsidiary				
During the Year	<u>0</u>	<u>(63,997)</u>	<u>(63,997)</u>	<u>(59,316)</u>
RETAINED EARNINGS				
END OF YEAR	<u>\$259,618</u>	<u>\$5,695,120</u>	<u>\$5,954,738</u>	<u>\$5,993,951</u>

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>3-31-06 Totals</u>	<u>3-31-05 Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net Income	\$(18,495)	\$ 43,279	\$ 24,784	\$ 322,504
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:				
Depreciation	0	48,029	48,029	48,054
Decrease (Increase) in Accts. Rec.	1,070	16,622	17,692	1,669
Increase (Decrease) in Due from Other Funds	0	(18,949)	(18,949)	40,555
(Increase) Decrease in Land	0	(197,680)	(197,680)	0
Decrease (Increase) in Int. Payable	0	5,916	5,916	8,738
Increase (Decrease) in Payables	<u>371</u>	<u>0</u>	<u>371</u>	<u>(172)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$(17,054)	\$ (102,783)	\$ (119,837)	\$ 421,348
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Increase in Plant Capacity	\$ 0	\$ 0	\$ 0	\$ 0
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Decrease in Debt	\$ <u>0</u>	<u>(48,231)</u>	<u>(48,231)</u>	<u>(49,002)</u>
NET INCREASE IN CASH & CASH EQUIV.	\$(17,054)	\$ (151,014)	\$ (168,068)	\$ 372,346
Cash & Cash Equivalents Beginning of Year	<u>268,960</u>	<u>1,152,210</u>	<u>1,421,170</u>	<u>1,048,824</u>
CASH & CASH EQUIVALENTS END OF YEAR	<u>\$251,906</u>	<u>\$1,001,196</u>	<u>\$1,253,102</u>	<u>\$1,421,170</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>				
Cash Paid During the Year For:				
Interest	\$ <u>0</u>	\$ <u>10,244</u>	\$ <u>10,244</u>	\$ <u>10,548</u>

**DISCLOSURE OF ACCOUNTING POLICY:**

For purposes of the statement of cash flows, the Township considers all highly liquid debt instruments, such as certificates of deposit to be cash equivalents.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE BALANCE SHEET  
WATER FUND  
MARCH 31, 2006 AND MARCH 31, 2005

ASSETS

	<u>3-31-06</u>	<u>3-31-05</u>
CURRENT ASSETS:		
Cash	\$251,906	\$268,960
Accounts Receivable	8,083	9,153
Due from Other Funds	<u>0</u>	<u>0</u>
	<u>\$259,989</u>	<u>\$278,113</u>
Accounts Payable	\$ 371	\$ 0
Retained Earnings	<u>259,618</u>	<u>278,113</u>
LIABILITIES AND RETAINED EARNINGS	<u>\$259,989</u>	<u>\$278,113</u>

The accompanying notes are an integral part of the financial statements.



OWOSSO CHARTER TOWNSHIP  
WATER FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN RETAINED EARNINGS  
YEARS ENDED MARCH 31, 2006 AND 2005

	3-31-06 <u>Actual</u>	3-31-05 <u>Actual</u>
REVENUES:		
Water Revenues	\$ 25,273	\$ 30,888
Interest Income	<u>4,394</u>	<u>206</u>
TOTAL REVENUES	\$ 29,667	\$ 31,094
EXPENDITURES:		
Utilities	\$ 3,225	\$ 2,448
Maintenance	6,220	9,368
Contractual & Engineering	26,647	8,659
Capital Outlay	<u>12,070</u>	<u>0</u>
TOTAL EXPENDITURES	\$ <u>48,162</u>	\$ <u>20,475</u>
NET INCOME (LOSS)	\$ (18,495)	\$ 10,619
Operating Transfer In	<u>0</u>	<u>255,000</u>
NET INCOME AFTER TRANSFERS	\$ (18,495)	\$265,619
Retained Earnings - Beginning Of Year	<u>278,113</u>	<u>12,494</u>
RETAINED EARNINGS - END OF YEAR	<u>\$259,618</u>	<u>\$278,113</u>

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
WATER FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

	<u>3-31-06</u>	<u>3-31-05</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$(18,495)	\$265,619
Adjustments to Reconcile Net Cash Provided by Operating Activities:		
Decrease (Increase) in Accts. Rec.	1,070	3,155
Increase (Decrease) in Due from Other Funds	0	0
Increase (Decrease) in Payables	<u>371</u>	<u>(172)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$(17,054)	\$268,602
 Cash and Cash Equivalents at Beginning of Year	 <u>268,960</u>	 <u>358</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$251,906</u>	 <u>\$268,960</u>

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE BALANCE SHEET  
SEWER FUND  
MARCH 31, 2006 AND MARCH 31, 2005

ASSETS

	<u>3-31-06</u>	<u>3-31-05</u>
<b>CURRENT ASSETS:</b>		
Cash	\$ 99,603	\$ 186,673
Investments	901,593	965,537
Accounts Receivable:		
Other Funds	100,949	91,000
Other Entities	3,682	4,702
Special Assessments	20,652	27,255
Accrued Interest Rec.	0	0
<b>TOTAL CURRENT ASSETS</b>	<b>\$1,126,479</b>	<b>\$1,275,167</b>
 <b>Property, Plant &amp; Equipment:</b>		
Land	\$ 397,680	\$ 200,000
Investment in Sewer Plan	885,855	885,855
Accumulated Depreciation	<u>(873,245)</u>	<u>(825,216)</u>
	<b>\$ 410,290</b>	<b>\$ 260,639</b>
 <b>Other Assets:</b>		
Investment in Subsidiary - Owosso		
Caledonia Utility Authority	<u>4,427,999</u>	<u>4,491,996</u>
	<b><u>\$5,964,768</u></b>	<b><u>\$6,027,802</u></b>

LIABILITIES AND RETAINED EARNINGS

<b>Current Liabilities:</b>		
Current Maturities on Long-Term Debt	\$ 52,853	\$ 48,231
Accrued Interest Payable	54,474	48,558
Due to Other Funds	0	0
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 107,327</b>	<b>\$ 96,789</b>
 <b>Long-Term Debt, Less Current</b>		
<b>    Maturities</b>	<b>162,321</b>	<b>215,175</b>
 <b>Retained Earnings</b>	<b><u>5,695,120</u></b>	<b><u>5,715,838</u></b>
	<b><u>\$5,964,768</u></b>	<b><u>\$6,027,802</u></b>

The accompanying notes are an integral part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
SEWER FUNDS  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN RETAINED EARNINGS  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

	Actual <u>3-31-06</u>	Actual <u>3-31-05</u>
REVENUES:		
Sewer Revenues - Operating	\$ 161,397	\$ 165,211
Sewer Revenue - Assessments	20,780	30,325
Interest Income	2,862	3,936
Investment Interest/Dividends	54,964	45,141
Miscellaneous Income	7,320	10,370
TOTAL REVENUES	\$ 247,323	\$ 254,983
EXPENDITURES:		
Operation of Plant	\$ 120,948	\$ 108,155
Interest Expense	16,160	19,286
Depreciation Expense	48,029	48,054
Unrealized Loss	18,907	21,823
Miscellaneous	0	780
TOTAL EXPENDITURES	\$ 204,044	\$ 198,098
NET INCOME	\$ 43,279	\$ 56,885
Retained Earnings - Beginning Of Year	5,715,838	5,718,269
Decrease in Value of Subsidiary During the Year	<u>(63,997)</u>	<u>(59,316)</u>
RETAINED EARNINGS END OF YEAR	<u>\$5,695,120</u>	<u>\$5,715,838</u>

The accompanying notes are an integral part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
SEWER FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

	<u>3-31-06</u>	<u>3-31-05</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ 43,279	\$ 56,885
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	48,029	48,054
Decrease (Increase) in Accts. Rec.	16,622	(1,486)
(Increase) Decrease in Due from Other Funds	(18,949)	40,555
(Increase) Decrease in Land	(197,680)	0
Increase (Decrease) in Int. Payable	<u>5,916</u>	<u>8,738</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (102,783)	\$ 152,746
Cash Flows from Investing Activities:		
Increase in Plant Capacity	\$ 0	\$ 0
Cash Flows from Financing Activities:		
Decrease in Debt	<u>(48,231)</u>	<u>(49,002)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (151,014)	\$ 103,744
Cash and Cash Equivalents at Beginning of Year	<u>1,152,210</u>	<u>1,048,466</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$1,001,196</u>	<u>\$1,152,210</u>
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	\$ <u>10,244</u>	\$ <u>10,548</u>

Disclosure of Accounting Policy:

For purposes of the statement of cash flows, the Township considers all highly liquid debt instruments, such as certificates of deposit to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

## FIDUCIARY FUNDS

### TRUST AND AGENCY FUND

Trust and Agency Fund is used to account for collection of delinquent taxes and other monies which are held by the Township as a trustee and are distributed to other funds of the Township or to other governmental agencies.

### CURRENT TAX COLLECTION FUND

Current Tax Collection Fund is used to receive the Township's current tax collections and to distribute such monies to the Township funds involved therein, and to other governmental agencies.

OWOSSO CHARTER TOWNSHIP  
FIDUCIARY FUNDDS  
COMBINING BALANCE SHEETS  
MARCH 31, 2006 AND MARCH 31, 2005

	<u>Trust &amp; Agency</u>	<u>Current Tax Collections</u>	<u>3-31-06 Totals</u>	<u>3-31-05 Totals</u>
<b>ASSETS:</b>				
Cash in Bank	\$ 893	\$570,560	\$571,453	\$ 9,604
Due from Other Gov't Units	12	0	12	0
Due from Other Funds	<u>126</u>	<u>0</u>	<u>126</u>	<u>0</u>
	<u>\$ 1,031</u>	<u>\$570,560</u>	<u>\$571,591</u>	<u>\$ 9,604</u>
<b>LIABILITIES:</b>				
Due to Other Gov't Units	\$ 862	\$165,791	\$166,653	\$ 888
Due to Other funds	<u>169</u>	<u>404,769</u>	<u>404,938</u>	<u>8,716</u>
	<u>\$ 1,031</u>	<u>\$570,560</u>	<u>\$571,591</u>	<u>\$ 9,604</u>
<b>FUND BALANCES:</b>				
Fund Balances	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
	<u>\$ 1,031</u>	<u>\$570,560</u>	<u>\$571,591</u>	<u>\$ 9,604</u>

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

TRUST AND AGENCY FUND

	<u>3-31-06</u>	<u>3-31-05</u>
<b>ASSETS:</b>		
Cash	\$ 893	\$ 3,943
Due from Other Funds	126	0
Due from Other Gov't Units	12	0
TOTAL ASSETS	<u>\$ 1,031</u>	<u>\$ 3,943</u>
 <b>LIABILITIES:</b>		
Due to Other Gov't Units	\$ 862	\$ 888
Due to Other Funds	169	3,055
	<u>\$ 1,031</u>	<u>\$ 3,943</u>

The accompanying notes are an integral  
part of the financial statements.



OWOSSO CHARTER TOWNSHIP  
COMPARATIVE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

TRUST AND AGENCY FUND

	<u>3-31-06</u>	<u>3-31-05</u>
BALANCE BEGINNING OF YEAR	\$ 3,943	\$ 0
RECEIPTS:		
Trailer Park Fees	\$ 12,909	\$ 13,047
Withholding Taxes	<u>72,634</u>	<u>95,217</u>
	\$ <u>85,543</u>	\$ <u>108,264</u>
TOTAL RECEIPTS & BEGINNING BALANCE	\$ 85,543	\$108,264
DISBURSEMENTS:		
Shiawassee County	\$ 9,913	\$ 9,985
General Fund	1,983	1,997
Withholding Taxes	<u>72,754</u>	<u>92,339</u>
	\$ <u>84,650</u>	\$ <u>104,321</u>
BALANCE END OF YEAR	\$ <u>893</u>	\$ <u>3,943</u>

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

CURRENT TAX COLLECTION FUND

	<u>3-31-06</u>	<u>3-31-05</u>
<b>ASSETS:</b>		
Cash in Bank	<u>\$570,560</u>	<u>\$ 5,661</u>
<b>LIABILITIES:</b>		
Due to Brownfield Fund	\$ 13,095	\$ 0
Due to Sewer Fund	18,949	0
Due to General Fund	133,293	4,523
Due to Fire Fund	114,373	569
Due to Ambulance Fund	69,891	569
Due to Fire ½ Mill Fund	55,168	0
Due to Other Gov't Units	<u>165,791</u>	<u>0</u>
	<u>\$570,560</u>	<u>\$ 5,661</u>

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
COMPARATIVE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

CURRENT TAX COLLECTION FUND

	3-31-06 <u>Actual</u>	3-3-05 <u>Actual</u>
BALANCE BEGINNING OF YEAR	\$ 5,661	\$ 663,657
RECEIPTS:		
Current Property Taxes	3,467,765	3,335,258
Delinquent Taxes and Penalties	47,424	123,567
Dog Licenses	347	250
Interest Income	1,580	2,365
Overpaid Taxes	31,042	5,527
Penalties	483	10,774
TOTAL RECEIPTS	<u>\$3,548,641</u>	<u>\$3,477,741</u>
TOTAL RECEIPTS & BEGINNING BALANCE	\$3,554,302	\$4,141,398
DISBURSEMENTS:		
Shiawassee County	\$1,860,696	\$2,060,090
State of Michigan	57,999	126,175
Shiawassee Library	138,863	165,487
Owosso Schools	821,812	927,870
Ovid-Elsie Schools	11,900	14,202
Clinton County	4,000	30,519
General Fund	17,364	257,315
Fire Fund	16,953	27,813
Fire Fund - ½ Mill	5,442	108,577
Sewer Fund	4,702	60,977
Ambulance Fund	6,845	138,187
Brownfield Fund	6,124	22,998
Refund Overpaid Taxes	31,042	5,527
TOTAL DISBURSEMENTS	<u>\$2,983,742</u>	<u>\$4,135,737</u>
BALANCE END OF YEAR	<u>\$ 570,560</u>	<u>\$ 5,661</u>

The accompanying notes are an integral part of the financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in  
Enterprise Fund operations or accounted  
For in Trust Funds.

OWOSSO CHARTER TOWNSHIP  
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
MARCH 31, 2006 TO MARCH 31, 2005

GENERAL FIXED ASSETS GROUP OF ACCOUNTS

	Balance <u>3-31-05</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>3-31-06</u>
Land & Improve.	\$ 247,820	\$ 11,041	\$ 0	\$ 258,861
Townhall	275,878	30,357	(3,813)	302,422
Fire Stations	187,438	29,316	0	216,754
Machinery & Equipment	436,342	22,538	0	458,880
Vehicles	1,105,427	35,464	0	1,140,891
Office Equip. & Furn.	93,178	10,766	0	103,944
Water Tower	205,334	0	0	205,334
TOTALS	<u>\$2,551,417</u>	<u>\$139,482</u>	<u>\$ (3,813)</u>	<u>\$2,687,086</u>

The accompanying notes are an integral  
part of the financial statements.

OWOSSO CHARTER TOWNSHIP  
GENERAL LONG-TERM DEBT GROUP  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

ASSETS

	<u>3-31-06</u>	<u>3-31-05</u>
Amount to be Provided by the Brownfield Redevelopment Authority	<u>\$55,958</u>	<u>\$62,279</u>

LIABILITIES

Loans Payable to the State of Michigan	<u>\$55,958</u>	<u>\$62,279</u>
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The accompanying notes are an integral  
part of the financial statements.

## COMPONENT UNITS

### BROWNFIELD REDEVELOPMENT AUTHORITY

The Brownfield Redevelopment Authority was established to pay for the clean up of contaminated sites within the Township and repay loans through Tax Increment Financing.

OWOSSO CHARTER TOWNSHIP  
 COMPONENT UNIT  
 BROWNFIELD REDEVELOPMENT AUTHORITY  
 COMPARATIVE BALANCE SHEET  
 MARCH 31, 2006 AND MARCH 31, 2005

ASSETS

	<u>3-31-06</u>	<u>3-31-05</u>
Cash	\$ 2,871	\$ 13,452
Due from Other Funds	<u>13,095</u>	<u>0</u>
	\$ <u>15,966</u>	\$ <u>13,452</u>

LIABILITIES AND FUND BALANCE

LIABILITIES:

Due to Other Funds	\$ 87,130	\$ 96,130
Due to Other Entities	0	0
FUND BALANCE	<u>(71,164)</u>	<u>(82,678)</u>
	\$ <u>15,966</u>	\$ <u>13,452</u>

The accompanying notes are an integral  
 part of the financial statements.



OWOSSO CHARTER TOWNSHIP  
 COMPONENT UNIT  
 BROWNFIELD REDEVELOPMENT AUTHORITY  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 YEAR ENDED MARCH 31, 2006 AND MARCH 31, 2005

	Amended <u>Budget</u>	3-31-06 <u>Actual</u>	Actual (Over) Under <u>Budget</u>	3-31-05 <u>Actual</u>
<b>REVENUES:</b>				
TIFA Property Taxes	\$ 0	\$ 19,219	\$ 0	\$ 12,982
Interest Income	<u>0</u>	<u>16</u>	<u>0</u>	<u>10</u>
TOTAL REVENUES	\$ 0	\$ 19,235	\$ (9,851)	\$ 12,992
<b>EXPENDITURES:</b>				
Bank Fees	\$ 0	\$ 0	\$ 0	\$ 12
Loan Payments	0	7,721	0	7,721
Refunds	<u>0</u>	<u>0</u>	<u>0</u>	<u>140</u>
TOTAL EXPENDITURES	\$ <u>0</u>	\$ <u>7,721</u>	\$ <u>0</u>	\$ <u>7,873</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
EXPENDITURES	\$ <u><u>0</u></u>	\$ 11,514	\$ (9,851)	\$ 5,119
Fund Balance at Beginning of year		(82,678)		(87,797)
FUND BALANCE AT END OF YEAR		\$ (71,164)		\$ (82,678)

The accompanying notes are an integral  
 part of the financial statements.



# DEMIS and WENZLICK, P.C.

*Certified Public Accountants*

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**September 30, 2006**

**Members of the Township Board  
Owosso Charter Township  
Shiawassee County, Michigan**

In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Township of Owosso for the year then ended March 31, 2006.

## BROWNFIELD FUND DEFICIT

PA 275 of 1980 prohibits a fund deficit. The Brownfield Fund deficit was funded by loans from the sewer fund and the State of Michigan. This condition will result in the filing of a deficit elimination plan. We can assist in this preparation.

## BUDGET

The Michigan Public Act 621 of 1978, includes compliance requirements in budgeting. Total expenditures cannot exceed total budgeted revenues plus beginning fund balance. Expenditures should be reviewed periodically and the budget amended before incurring any expense which would exceed the budgeted amount.

## SEWER FUND - INTEREST ON INDEBTEDNESS

The Sewer fund pays the City of Owosso an annual principal payment on an indebtedness. We could not find where the City billed for the interest on this debt. We recommend the City be contacted for verification.

#### TAX ACCOUNT

All money collected in the tax fund should be disbursed as soon as possible. However, a substantial amount of money collected prior to March 31, 2006 was not disbursed until the following months. We recommend, money be disbursed on a timely basis prior to March 31.

#### BANK RECONCILIATIONS

Bank reconciliation is a vital part of strong internal controls. We noted that both the clerk and treasurer prepared monthly reconciliations of the cash accounts, but did not agree. We recommend that any discrepancy between the two be resolved. We also recommend that the reconciliation feature on the software be used and any differences with the general ledger be explained.

#### RECEIPT BOOKS

Maintaining a receipt book is a important part of strong internal controls. We noted that some amounts were receipted twice and others had no receipt. We recommend care be taken to receipt every amount once on the day it was received.

#### METRO ACT MONEY

Owosso Township normally receives from the State of Michigan a check for approximately \$7,000 each year for the Metro Act requirements. We could not locate this deposit in the general ledger. We recommend investigating with the State of Michigan to make certain this amount was received and properly deposited.

We wish to thank the board for the excellent cooperation we received in performing the township audit. If we can be of any further assistance to the township on these matters or any future matters please do not hesitate to contact us.

Sincerely yours,

*Dennis and Leary, P.C.*

Certified Public Accountants